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F I S C A L I M P A C T R E P O R T

SPONSOR: Silva DATE TYPED: 02/12/01 HB 434

SHORT TITLE: Amend Leased Vehicle Gross Receipts Tax Act SB

ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	$ (90.0)	$ (100.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

This bill exempts "replacement vehicles" from the leased vehicle surcharge. Replacement vehicles are defined as vehicles rented temporarily by or on behalf of an individual or loaned to an individual by a motor vehicle repair facility or dealer, and used in place of the vehicle that is unavailable due to mechanical breakdown, repair, service, damage or loss as defined in the individual's applicable private passenger insurance policy. These replacements are associated with fixed daily reimbursements from vehicle insurance policies.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) estimate that this bill's full year impact would reduce the general fund by $100.0.

The estimate is based on an extract of gross receipts tax records for companies known to specialize in "replacement rentals" augmented by 25 percent to include vehicles rented for use when an owned vehicle is being repaired due to mechanical problems not related to an accident.

ADMINISTRATIVE IMPLICATIONS

Minimal.

JBE/njw:ar